MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BED2084 – DEVELOPMENT ECONOMICS

(All sections / Groups)

10 OCTOBER 2016
2.30 p.m. - 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **THREE (3)** printed pages with **FOUR (4)** structured questions.
2. Marks are shown at the end of each question.
3. Write all your answers in the answer booklet provided.
4. Answer all questions.

Question One (25 marks)

(a) Explain why researchers should compare Gross National Incomes (GNI) and Gross Domestic Product (GDP) across countries using purchasing power parity (PPP).

(16 marks)

(b) *Perhaps the most famous coordination failures model in the development literature is that of the "big push," pioneered by Paul Rosenstein-Rodan, who first raised some of the basic coordination issues.*

What are these *basic coordination issues*, and how do they relate to the Big Push model?

(9 marks)

Question Two (25 marks)

(a) Explain the **five (5)** reasons that policies focused toward reducing poverty levels need not lead to a slower rate of growth.

(15 marks)

(b) Describe the **three (3)** stages of demographic transition.

(10 marks)

Question Three (25 marks)

(a) Elaborate on the following statement:-

Health and education are closely related in economic development.

(6 marks)

(b) Why is there a need for economic planning for developing countries?

(4 marks)

(c) What are the **four (4)** traditional economic arguments discussed in our lecture class, in support of private investment?

(15 marks)

Question Four (25 marks)

(a) Why must government policies regarding the environment consider the plight of the poor?

(10 marks)

Continued...

(b) Describe **three (3)** reasons it is economically desirable to close the educational gender gap by expanding educational opportunities for women; which is a key plank of the Millennium Development Goals.

(6 marks)

(c) *Most observers agree that the import-substituting strategy of industrialization has been largely unsuccessful.*

Discuss in detail **three (3)** reasons why that is so.

(9 marks)

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